Opportunity Party Land Value Tax – Practical Risks

Short briefing for MPs, candidates and media | August 2026

1. The core mechanism

Opportunity proposes an annual Land Value Tax of 1.75% on the unimproved value of urban land and 0.5% on rural land. This is intended to fund a Citizen's Income of approximately $19,400 per adult. The tax applies to all land, including owner-occupied family homes. There is no exemption based on income or ability to pay.

2. Scale of the annual cost

At 1.75%:

- Land valued at $800,000 → **$14,000 per year**
- Land valued at $1,000,000 → **$17,500 per year**

Average Auckland land values produce annual bills in the $13,000 range. These costs sit on top of existing council rates. Unlike a capital gains tax (paid only on sale and only on gains), this is a recurring cash liability every year.

3. Cash-flow and liquidity risk

The tax is levied irrespective of the owner's income or circumstances. Tax and investment expert Troy Bowker (Caniwi Capital Partners) has publicly stated that the policy has "no reference at all to your liquidity or your cash." Retirees, people between jobs, and households with high land values relative to income face particular pressure.

4. Deferral creates an estate claim

Opportunity allows certain owners (retirees and farmers described as land-rich/cash-poor) to defer payment. The unpaid tax accumulates and is recovered when the property is sold or on the owner's death. This functions as a government-held reverse mortgage against the asset. Over 15–20 years the deferred sum can become a very large charge on the estate, reducing what is left for heirs. An illustrative example used in public commentary: a 70-year-old deferring on a $1 million property until age 90 can leave an estate charge in the order of $350,000.

5. Stated price effect and wider economic risk

Opportunity projects that the tax would reduce property prices by 10–15%. Independent commentary (Bowker and others) warns of larger downward pressure and reduced liquidity in the market. For the rural sector, even the lower 0.5% rate creates annual bills that do not match the volatility of farm income. Bowker has described the risk to food producers as potentially severe for an export-dependent economy and called the overall Tax Reset a "significant and high risk policy experiment."

6. Intergenerational consequence

The policy does not only affect current owners. Anyone who buys after implementation still faces the annual land tax. The combination of an ongoing tax plus a possible deferred claim on estates extracts value from both existing owners and the next generation of buyers.

Summary

The Land Value Tax is a high-impact, permanent shift in how New Zealand taxes property. Its most immediate practical problems are the cash-flow burden on existing owners (especially those on fixed or modest incomes), the accumulation of deferred liability against estates, and the risk to productive land uses. These issues deserve clearer public examination before the policy is treated as a viable coalition option.

Sources: Opportunity Party Tax Reset policy documents; public commentary by Troy Bowker (Caniwi Capital / The Platform, August 2026); related analysis published in Good Oil and associated reporting.